HUNGARIAN UNIVERSITY OF
AGRICULTURE AND LIFE SCIENCES

The logistic impact on the competitive advantage of small and medium enterprises

(Applied on Small and medium enterprise)

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Bachelor Degree in Business Administration

2023

Table Of Contents

List of Table

Introduction

Small and medium enterprises (SMEs) are the lifeblood of every economy. However, in order to sustain their role of contributing to the mainstream economy, SMEs must implement effective strategies in all their business operations, inclusive of logistics. The function of logistics is important to SMEs because it is the quintessence of the organization's relationship with suppliers and customers. The only way for companiesto survive in the market is constantly lowering the price of products and regular improvement of product characteristics. Hence, the continuous intensive development of the company is crucial to its survival on domestic and global markets. Creating and sustaining a competitive advantage of the company is a complex and sustained process that largely depends on the flexibility and willingness of the company to carry out rapid changes in their processes and to make them faster than their rivals. The continuous adjustment and improvement of the processes is the basis for the company's functioning in the current conditions, while at the same time is one of the key success factors. In this context arises the need for the application of modern management practices in all aspects ofthe operations of the company, especially in supply chain management, which contributes to increasing competitiveness (Hassini 2008). One important element is logistics, which provides management with the total operations costs and increases the efficiency of the company's business activities. Collaboration between all the supply chain players coupled with a responsive approach can enhance organizational competitiveness through reduced lead-time facilitated by the smooth flow of material from upstream towards the downstream end of the supply chain. This approach will ensure end customers get value for their money and reduce the level of uncertainty in the industry (Francis and Waiganjo 2014). The focus of the research in this paper is the logistics management and the relationship between the application of appropriate logistics management practices in the companies and reducing costs, and thus increasing the efficiency and results of companies' operations and at the same time, strengthening their competitive position on the market.

Section 1

Research proposal

Research problem:

As a result of increased competition between SMEs and lack of available resources and high production costs and the abundance of cheap imported goods and due to consumer interest in low-priced products accompanied by the old logistics operations do not help the success of the institution, which drives institutions to adopt an integrated system of Logistics operations to give them competitiveness and sustainability.

Based on this, the problem of the study can be illustrated more clearly by this statement:

"Logistics Management Impact on the SMEs competitive advantage"

Which consists of two sub-questions:

1. What is the reality of logistics operations in SMEs?
2. Is there a relationship between managing logistics operations in gaining competitive advantage by SMEs?

Research variables:

1. Dependent variables:

- SMEs Success of gaining a **competitive advantage**

2. Independent variables - Logistic activities:

- Purchasing
- Inbound logistics
- Warehousing
- Order processing
- Order picking
- Outbound logistics

Research hypothesis:

There is no significant impact of logistics management on company's competitive advantage when ($\alpha = 0.05$)

Which Branches from it the secondary theories:

1. There is no significant statistic impact of the purchasing activities on the company's competitive advantage at level of significance ($\alpha = 0.05$).
2. There is no significant statistic impact of the inbound logistics activities on the company's competitive advantage at level of significance ($\alpha = 0.05$).

3. There is no significant statistic impact of the warehousing activities on the company's competitive advantage at level of significance ($\alpha = 0.05$).
4. There is no significant statistic impact of the order processing activities on the company's competitive advantage at level of significance ($\alpha = 0.05$).
5. There is no significant statistic impact of the order picking activities on the company's competitive advantage at level of significance ($\alpha = 0.05$).
6. There is no significant statistic impact of outbound logistics activities on the company's competitive advantage at level of significance ($\alpha = 0.05$).

Research importance:

1. Give other researchers a chance to get deeper Into the study of logistics management
2. Clarify the role of logistics management to gain competitive advantages with lower cost, high quality and less time needed.
3. The importance of the study's result of SMEs to recognize the role of logistics functions to gain competitive advantage , which giving a clear picture of the aspects to be paid attention to and focus on.
4. is also important for interested people to take the benefit from the study results and recommendations to have scientific results in logistic management, since the studies in this field are few.
5. raises awareness on the ability and benefits that logistics would bring to SMEs competitive advantage

Research objectives:

1. Know the current status of logistics management systems in SMEs
2. Study the impact of effective logistics management systems of achieving competitive advantage
3. Provide recommendations and proposals that help SMEs to compete
4. Assess the reasons that make SMEs need to pay positive attention to logistics activities

Chapter 2

Previous studies

Previous studies:

Humanitarian Logistics Management in the NGOs Sector in Gaza Strip during (2008-2009) War on Gaza (Operation Cast Lead)

By: Ola M. Shorafa

Supervisor: Dr.: Rushdy Abd el Latief Wady

Link: https://www.mobt3ath.com/uplode/book/book-14499.pdf

Introduction: the humanitarian logistics activities role in the relief process would be highlighted since logistics is the bridge that allows the transition between emergency and development programs, and links the entire supply chain. This link cannot be ignored by the actors of this particular supply chain because by establishing a long-term process logistics will ensure local development and sustainability.

Study problem: This study tries to discuss how humanitarian logistics affected the vulnerable people during Gaza war and to what extent NGOs sector in Gaza Strip succeed in relieving people by adapting right and scientific system in applying humanitarian logistics management .In brief, the main problem for this research could be summarized in the following question :To what extent did NGOs sector in Gaza Strip apply humanitarian logistics management to relieve people during Gaza war ?

Study importance: the study is very important since it explores the use of logistics management techniques to overcome barriers encountered by logistics managers during humanitarian relief operations, raises awareness on the ability and benefits that logistics would bring to humanitarian emergency response, gives a chance to study all the traditional logistics functions such as customer service, transportation, warehousing, and inventory management, contributes to the development of the NGOs logistic performance, it would enhance the library resources in the field of logistics.

Study objectives: Evaluate the reasons which make the humanitarian logistics an important part in humanitarian relief operation, Assess the reasons that make NGOs need to pay positive attention to humanitarian logistics, Evaluate the way humanitarian organizations in Gaza deal with any war on Gaza, Evaluate the level of application for logistics management by Gaza NGOs during the war on Gaza, Evaluate the current strengths and weaknesses in logistics management in NGOs sector in Gaza Strip.

Study results: The study sample included 33 active Palestinian NGOs (22 international and 11 local) working in Gaza Strip in relief projects during Cast Lead Operation (Gaza War); 65 questionnaires were distributed to Logistic officers, Logistic assistant, procurement officers and others ,the main findings of the study were Gaza's NGOs

applied Humanitarian Logistics Management process during Cast Lead Operation by nearly 70.52%, and there is no significant statistical difference among respondents at a significant level (05.0=α) in all the fields of humanitarian logistics management regarding to personal traits (age, gender, education and experience) of the respondents, and there is no significant statistical differences among respondents at significant level (05.0=α) in all the fields of humanitarian logistics management regarding to organizational traits (age, and type) of the NGOs .

Study recommendation: In order to improve the humanitarian logistics management and enhance its effectiveness, Gaza NGOs need to improve their performance by Developing a clear and flexible contingency plan to deal with any type of disaster to suit Gaza culture, climate and political circumstances, Conducting the assessment process in a timely manner to determine all the needed resources before it is too late, Determining the needed financial and human resources and how the lack should be supplied, Adopting different resources for supplying procurements in good quality, right quantity and reasonable cost without any delay, Using computer software to control the humanitarian logistics process efficiently.

Logistics practice of small and medium-sized enterprises

thesis

Thesis supervisor: Dr. Erzsébet Halász Sipos

Link: http://phd.lib.uni-corvinus.hu/731/2/Gecse_Gergely_den.pdf

Introduction: Because of the SMEs significant economic weight, flexibility, innovation and their fast decision-making, they represent a frequently researched area. Unfortunately, the same is not true of their logistics, about which very few surveys are available. The thesis focuses on the factors influencing the logistics costs and outsourcing activities of small and medium-sized enterprises; the hidden potential in logistics outsourcing and the reasons underlying judgments on it. Furthermore, the researcher explored the relationship between logistics and company performance, and the opinion of executives on the contribution of logistics to the success of the company overall.

Research findings: Data collection for the two surveys used in the Thesis took place in 2009, which was not an average year due to the economic crisis: according to the Hungarian Central Statistical Office, the Hungarian GDP shrank that year by 6.8% (at current prices), and the indicators concerning the logistics of Hungarian enterprises indirectly (e.g. Baltic Dry Index, BVL logistics indicator55) were also at their nadir. According to the World Bank Logistics Performance Index, a measure of logistics

competitiveness accepted by in ever-wider circles, introduced at that time, Hungary's previous position deteriorated to 52nd position.

Logistics benefits and challenges: the case of SMEs in a South African local municipality(RSEARCH Paper)

Chengedzai MAFINI

Osayuwamen OMORUYI

"Department of Logistics Vaal University of Technology"

Link:

https://www.researchgate.net/publication/297654517_Logistics_benefits_and_challengs The_case_of_SMEs_in_a_South_African_local_municipality

Introduction: Small and medium enterprises (SMEs) are the lifeblood of every economy. However, in order for them to sustain their role of contributing to the mainstream economy, SMEs have to implement effective strategies in all of their business operations, inclusive of logistics. The function of logistics is important to SMEs because it is the quintessence of the organization's relationship with suppliers and customers, the function of logistics has become known as an important instrument in contemporary business practice, because it is available for manipulation by all business enterprises, inclusive of SMEs.

Study objectives: the study aims to investigate the benefits of implementing logistics strategies in SMEs. Second, the study aims to investigate the challenges that SMEs face in adopting and implementing logistics strategies. The study was conducted using SMES that are located in Emfuleni Local Municipality in Gauteng Province, South Africa. Emfuleni Local Municipality covers areas such as Evaton, Sharpeville, Sebokeng, Bophelong, Polokong, Vereeniging and Vanderbijlpark.

Research results: Financial constraints, the lack of skills among employees in SMEs, the high cost of information technology and rapid technological advancements emerged as the most important challenges among SMEs. However, the most important advantages the SMEs gain from effective logistics management is gaining competitive advantages, increased sales and reduction in the production costs were the most paybacks of SMEs while the reduction of labor turnover and increases in innovation were the least important benefits to SMEs.

Recommendations: to address the challenges related to the financial capitalization, SMEs cold seek financial assistance from government initiatives. Further financial assistance could be accessed through collaborative efforts between SMEs and their suppliers. As a

remedy to extensive skill shortages SMEs could invest in sustained training and development program aimed to enhancing the logistics -related skills of their workforce, to deal with the complications associated with technology, SMEs could ensure that technology issues are co-opted into strategic planning initiatives, such that they form part of the goals and vision of the enterprise.

The influence of logistics integration on information sharing and business performance: The case of small and medium enterprises in South Africa (Article)
Authors: Richard Chinomona1 & R.I. David Pooe.
Link:https://www.researchgate.net/publication/257840285_The_influence_of_logistics_integration_on_information_sharing_and_business_performance_The_case_of_small_and_medium_enterprises_in_South_Africa
Studies that focus on small and medium enterprises (SMEs) logistics integration and business performance have largely remained scant but It is reported that SMEs are a vehicle for employment generation and that they also contribute significantly towards economic growth Original Research . SME wants to gain a significant competitive advantage so it went to use logistics integration also in order to attain a high degree of cooperation, coordination, interaction and collaboration. logistics integration brings together inter-dependent entities into a cohesive system, is considered to be one of the important precursors to financial and business performance .This is because logistics integration leads to a reduction in operational costs and an improvement in customer services and enable an enterprise to realize the full potential of its value-added activities like increase the speed and fluidity of physical and information flows.
Research problem: "Is there mediatory role of information sharing on the relationships between logistics integration and business performance within the small and medium enterprise (SME)"
There are three research **variables:** One predictor: SME logistics integration, one mediator: SME information sharing and one outcome variable: SME business performance.
Objectives: Investigate the influence of logistics integration on business information sharing and performance.
Explore the extent to which information sharing has a mediatory effect on the logistics integration and business performance relationship within the SME context.

Importance: Makes a significant contribution to the SMEs performance literature by systematically exploring the impact of logistics integration on information sharing and business performance in the context of South African small businesses.

Provide tentative support to the proposition that logistics integration should be recognized as a significant antecedent and tool to foster information

Sharing and business performance in the SME sector.

The important influential role of logistics integration and information sharing on business performance in Gauteng Province's SME sector is highlighted.

Findings: Small business logistics integration has stronger effects on small business information sharing than on small business performance .

The relationship between small business information sharing and small business performance is robust.

Small business logistics integration has a strong influence on small business performance via small business information sharing.

Recommendation: The results would be more informative if data from SMEs in other provinces of the country were also included .Future studies may therefore be conducted by using data from other SMEs across the country.

The current study was limited to SMEs in South Africa. Subsequent research should contemplate replicating this study in other developing countries in Africa to enable result comparisons. Future studies could also extend the current study's conceptual framework by studying the effects of a larger set of variables.

The impact of supply chain management practices on performance of SMEs (research paper)

Author: S.C. Lenny Koh

Link: https://www.emeraldinsight.com/doi/abs/10.1108/02635570710719089

Research problem: "impact of use supply chain management on improve operational performance in SMEs"

Research variables: Operational performance and SCM-related organizational performance affected by outsourcing and multi-suppliers (OMS), and strategic collaboration and lean practices (SCLP).

Importance: Determine the underlying dimensions of supply chain management (SCM) practices and to empirically test a framework identifying the relationships among SCM practices, operational performance and SCM-related organizational performance with

special emphasis on small and medium size enterprises (SMEs) in Turkey.

Findings: By developing and validating a multi-dimensional construct of SCM practices and by exhibiting its value in improving operational performance of SMEs, it provides SCM managers with useful tool for evaluating the efficiency of their current SCM practices. Second, the analysis of the relationship between SCM practices and operational performance indicates that SCM practices might directly influence operational performance of SMEs.

Recommendation: Avoid focuses only on SMEs until generalization findings is done on other emerging countries as well as other sectors such as service and government sectors that may benefit from a sound SCM strategy.

Comments on previous studies:

Previous studies negotiated different topics related to logistics management, more than one studies focus on studying the impact of logistics management on providing a high quality of services and its role to improve it such as on the research on the effectiveness of logistics management on providing the electricity service, another research from the researcher Mousa Mustafaha Alhaj which studied the impact of logistics on enhancing the service quality and another article discuss the same issue about the influence of logistics integration on business performance which is conducted by Richard Chinomonal .

Other studies focused its research on logistcics on SMEs and its performance, the challenges and benefits of it such as research paper by Chengedzai Mafini, studies that focused on logistics impact on business performance such as the research paper by the author Lenney koh about the impact of SCM on SMEs performance but this study focuses on how to gain competitive advantagefrom effective logistics

Chapter 3

Literature Review

Section: Logistics management

Introduction:

Logistics is generally the detailed organization and implementation of a complex operation. In a general business sense, logistics is the management of the flow of things between the point of origin and the point of consumption in order to meet requirements of customers or corporations. The resources managed in logistics may include tangible goods such as materials, equipment, and supplies, as well as food and other consumable items. The logistics of physical items usually involves the integration of information flow, materials handling, production, packaging, inventory, transportation, warehousing, and often security (10) Logistics management is the part of supply chain management that plans, implements, and controls the efficient, effective forward, and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customer's requirements .

Purchasing:

What is purchasing acquiring materials for internal users?

The purchasing function differs from most others in that those carrying out this work are to a large extent tied to their own industry. However, there are many activities within the purchasing function that are common to many industries and other types of enterprise, the main activities of purchasing: (12)

(a) All buyers will need to have a wide knowledge of the markets from which they have to make their purchases, whether these are raw materials, manufactured components or as in wholesale and retail trading finished goods. The knowledge will extend to how the suppliers perform in regard to reliability and delivery performance.

(b) Buyers will have to interact closely with the production department to ascertain their precise requirements. In retail, selling the buyer has a key role in the success of the enterprise in that he (or she) must closely watch consumer behavior and attitude their taste and demand.

(c) Though inventory control may or may not be the direct responsibility of the purchasing officer, he is primarily responsible for ensuring that sufficient supplies of materials or components are available to maintain continuity of production or sales. The buyer may do this by contracts with suppliers for regular deliveries or by building up stocks to be used as and when required.

(d) In most organizations, the purchasing department is responsible for negotiating purchase prices and terms of credit.

(e) Purchasing is also generally responsible for ensuring that the goods ordered and invoiced are actually received and that the price charged are those quoted. To minimize risk, necessary checks are to be carried out by people not directly involved in placing the orders.

(f) Purchasing will constantly monitor expected deliveries to ensure that suppliers fulfill their commitments regarding quality and delivery dates.

Purchasing Policy:

As with other functions, there must be a clear policy on purchasing laid down. This is, of course, ultimately the responsibility of top management, but the purchasing officer will have a great deal of advice to give on this matter (13)

1. Perhaps the first item of purchasing policy to be considered will be the level of stocks to be carried. The normal pattern of deliveries by suppliers may determine this. If supplies are generally constant then reliance can be placed on a continuing receipt of goods ordered, but if they are erratic it may be more prudent to establish a stock to ensure regular input to production.

Costs of holding stores, quantity discounts, the possible financial implications of production stoppages, and vulnerability to deterioration and to theft will all play a part in making this decision.

2. Secondly, certain raw materials are subject to wide price fluctuations. So it may be both rational and profitable to purchase large quantities when they become available at low prices. There are two advantages in doing this. First, the production department gains the benefit of low-priced inputs, which will lead to lower selling prices.

This will give the final products a competitive price edge. Alternatively, the lower cost may give an opportunity to make higher profits if there is a market for the company's product. Second, when raw-materials prices rise the organization may be able to dispose of its surplus stocks at a profit and, thus, make a gain just by holding the stocks.

3. Thirdly, is entering into short- or long-term contracts for the purchase of materials to be part of the purchasing policy or is it to be the policy to go to the market as and when materials are actually required? When prices generally are rising, or when supplies are difficult or uncertain, such a practice is attractive.

Objectives of Efficient Purchasing:

The objectives of efficient purchasing can be set out in the "seven rights" which may be expressed to buy: (14)

A. the RIGHT goods

B. at the RIGHT price

C. in the RIGHT quantity

D. of the RIGHT quality

E. at the RIGHT time

F. delivered to the RIGHT place

G. on the RIGHT terms

Inbound logistics:

The inbound logistics process refers to the influx of raw materials from suppliers to manufacturing facilities. It involves various activities, such as the storage and distribution of raw materials and parts that are going to be used in production. It also includes sourcing the materials, tracking inventory and optimizing the movement of goods from suppliers to the store, warehouse or manufacturing plant. (15)

Tools and materials:

Inbound logistics cover anything that company orders from suppliers, which can include tools, raw materials and office supplies in addition to inventory

Company-supplier integration: Vertical integration strategy can greatly increase supply chain efficiency and produce competitive cost advantage by automatic ordering system and close co-operation (16)

The Importance of Inbound Logistics

An effective inbound logistics program can result in higher quality products, more cost savings and increased sales. It will also improve customer satisfaction, while also reducing total overhead and wasted materials.

If you are in control of the inbound logistics process, you'll be able to secure reduced carrier rates, which will ensure greater accuracy over inventory management. Every dollar allocated to product storage, transportation and management will be invested wisely, which will help increase your ROI in the long run.

Since inbound logistics is the first stage in the value chain, if something goes wrong, it will impact all of the processes. You might even be forced to stop production and to cease your operations until you find a solution.

Despite the importance of inbound logistics, many companies overlook this process. They often focus more on customer service and other key aspects of outbound logistics and less on inbound logistics and manufacturing. This leads to subpar goods and services, unhappy customers and revenue loss. The result can be disastrous and may ruin the company's brand image.

Warehousing management system:

Moves materials into storage and makes sure that they are available when needed. warehousing also takes care of stored materials, giving the right condition, treatment and packaging to keep them in good condition until needed(18)

Warehousing process:

The system involves a number of processes that are important when shipping, receiving, or even putting away materials and integrates with other systems in the supply chain to ensure data transparency throughout your enterprise (19)

Receiving goods: accepts materials into the organization, making sure that materials delivered match an order, acknowledging receipt, unloading delivery vehicles, inspecting materials for damage and sorting them.

- Tracking inventory: keep a tab of all the stock in the warehouse. This is important because it ensures that the warehouse management team is able to know when there is enough stock in the warehouse and know when to order for more stock to prevent shortages.
- Order processing
- Order picking
- Packaging: is used to make sure that materials are properly protected for their onward movement and are easy to move
- Replenishing materials: using automated system to order materials from suppliers when the stock level reach to its minimum

Benefits of warehousing management system:

The benefits of a Warehouse Management System to a business can generally fall within three key areas, cost, productivity and customer service

1. Cost Saving (20)

- ✓ Reduce Labor Cost – By improving the speed and accuracy of your warehouse staff, you can minimize the need for additional temporary staff during peak periods.
- ✓ Minimize Over Delivery – How often are you told by your customer that you have sent them too many items than they have paid for? The almost unquantifiable cost associated with over delivering items to a customer is minimized.
- ✓ Reduce Stock Levels – Improved accuracy of stock control through barcoding can allow you to reduce your stock levels without the fear of stock outages.
- ✓ Reduced Warehouse Cost – With lower levels of stock required, warehouse space can be better utilized or minimized all together.

2. Increased Productivity(21)

- ✓ Faster Data Entry – A barcode scanner typically records data five to seven times faster than a skilled typist.
- ✓ More Accurate Data Entry – Human error is minimized with the use of barcoded data instead of manual data entry.
- ✓ Reduce Time Taken For Stock Taking – Improve the accuracy and efficiency of stock taking whilst also allowing for ad-hoc stock takes on the spot.

3. Improved Customer Service

- ✓ Incorrect Orders – Minimize incorrect deliveries, which result in returns and unsatisfied customers.
- ✓ Communication – Provide accurate real time information on the progress of a customer's order.

In addition to the cost savings, increased productivity and improved customer service discussed above, a warehouse management system also provides valuable real time business information allowing for management to make better informed business critical decisions

Order processing concept:

Companies often use a set of processes to complete the tasks and activities that occur in their business every day. Order processing also known as order fulfillment in the business environment is one of these activities. This process is often a system of steps repeated to fill customer orders. Historically, order processing detailed the activities a company

completed for customer mail orders. Fulfillment is now more common with the advent of Internet websites, which customers use to purchase all sorts of products without ever stepping foot in a store. Order processing systems feature tasks that often include the picking, packing and shipping of products to consumers. A company typically completes these activities in its warehouse or a similar setting. This system can also include handling customer questions, returns or other issues.

Functions Of Order Processing In Physical Distribution

1. Order Preparation: requesting product or service
2. Order Transmittal: transferring order information
3. Order Entry: stock checking, accuracy checking, credit checking, back ordering, transcription, and billing
4. Order Filling: product retrieval, packing for shipment, scheduling for delivery, shipping document preparation
5. Order Status Reporting: tracing and tracking, communicating with customer on order status.

Importance of order processing:

Time to complete the activities of the order cycle is the very heart of customer service, Order prep, transmittal, entry & filling represent 50% to 70% of total order cycle time in most industries, Short & consistent order cycle times generate high levels of customer service.

Objectives of order processing:

Identify inefficient tasks, spot possible effectiveness improvement tasks, understand where value can be added.

Six steps of effectiveness in order processing: (23)

Use a standard order-taking form Using only one form will eliminate any confusion both internally and externally. It doesn't matter whether a customer service representative takes the order over the phone, or a client directly fills out a form on your website, a standard form should be used**.** =++

Do not accept incomplete order forms if all the needed information is not collected, there will be delays in processing it because there is a need to verify what exactly is required in the order. This will cause backlogs and will waste a lot of time.

Confirm the order with the customer Confirming the order means that you're acknowledging that the order forms were received, and that you're about to process it.

Circulate the filled out order form internally This is the time to distribute the order form to the departments and individuals who will perform any action connected to carrying out the particulars of the order, depending on the nature of your business.

Let the customer know the order status Keep them up to speed as to what the status of their order is. If there are delays or problems, let them know immediately instead of keeping customers in the dark.

Ask for customer feedback after the customer receives the order; take the time to get some feedback. Many businesses skip this step, but it's one way of knowing your client's sentiments and getting insights into what needs to be improved with your order processing system and inbound call center services. If a client is delighted with the service, then this is also valuable feedback that lets you know you're doing the right thing.

Order picking

Order picking is the process of finding and extracting products from a warehouse to fulfill customer orders, it is seen as the most labor-intensive activity within a warehouse; it forms as much as 55% of operation costs within any distribution center, compared to shipping, storage and receiving stages and has a direct impact on customer satisfaction levels. The ability to both quickly and accurately process customer orders is now an essential part of doing business**.**

Different order picking methods:

There are many order picking methods. These include:

• Zone picking: Each order picker is assigned a specific zone and will only realise order picking within this zone.

• Batch picking: An order picker is assigned and picks multiple orders simultaneously, minimizing trips to each location.

• Wave picking: A variation of zone and batch picking. Rather than orders moving from one zone to the next for picking, all zones are picked at the same time and the items are later sorted and consolidated into individual orders/shipments.

How to improve upon order picking processes within your Warehouse

Use ABC item analysis If 10% of your items completely satisfy 50% of your orders, then these are "A" items. Set up a short pick line for these items and place slower moving "B" items in the next closest area and the slowest "C" moving items farthest away.

Ensure 100% product availability Design your replenishment system so that the picker does not have to face an empty pick slot that is waiting for replenishment. Keep a

specified minimum level of inventory in each location and replenish items that have fallen below the minimum level each day.

Use barcodes to verify everything before you pick if your order picking system verifies every step of the picking process twice, you are more likely to catch mistakes, preferably whilst the picker is still in front of the pick slot where the correction is easily made.

Minimize product touches Regardless of what order picking method a company uses, it is important to identify and record the number of times an item is handled from the time it is ordered to the time it leaves the facility. The pick process should allow enough accuracy that further repacking, QC checking, or shipping checking is not required.

Outbound logistics

Outbound logistics is defined by the Council of Supply Chain Management Professionals as "the process related to the movement and storage of products from the end of the production line to the end user.

Outbound Process A business goes through several stages in the outbound logistics process. The sales department first receives a purchase order from the client. The sales department checks inventory availability to ensure they can fulfill the order, The sales department then sends the customer order to the warehouse for picking and packing. The order is shipped and a warehouse clerk updates inventory levels. The business bills the client and eventually collects cash for the order.

Outbound logistic components :

- Channels of distributions: The channels of distribution are the companies and individuals that deliver a product or service to the final user, the channel of distribution stores the product, promotes the product and arranges for its sale. Part of outbound logistics is choosing channels that will maximize revenue. This means choosing distributors that promote the product in line with branding, have good logistics systems themselves and cater to the right type of customer.
- Inventory Systems: In order to make the outbound process run smoothly, businesses have to have a functioning inventory system. If a business overstocks inventory, products may become antiquated or obsolete. If a business doesn't stock enough inventory, it runs the risk of losing customers. Companies can use past data to project future demand and stay in touch with distributors about future needs. Businesses can use a "just in time" inventory system in which they manufacture and order materials and products just in time for delivery to customers.

- Delivery Optimization: An important component of outbound logistics is optimizing shipping and delivery. A system of barcode scanning and inventory tracking allows the business to continually update the customer on the status of the order. The business usually has a variety of shipping options to choose from, including how to deliver the product itself. Businesses must choose the shipping option that is cost efficient, ensures the goods aren't damaged in transit and can deliver within the allotted time frame.

Section Two: SMES

There is no standard definition for SMEs , A project is judged to be small, medium or large, governed by several rules and criteria that take into consideration the circumstances in which the project operates, the environment surrounding it and the stage of development of the community, while the United Nations Development and Trade Program is based on its definition of the size of the workforce. Of the 10-20 workers and less The average project is defined as that which occupies from 100 to 500 workers The European Union defines the small project as small if the number of workers less than 50 workers and the average medium is working with less than 250 workers.

Table 1: (26) Palestinian Center Bureau of Statistics gives classifications for the purpose of research & studies:

Type of enterprises	Num. of employees
Micro enterprises	Less than 5 employees
Small enterprises	From 5-19 employees
Middle enterprises	From 20-49 employees
Large enterprises	More than 50 employees

Table 2: Distribution of SMEs by economic activity (%):

Agriculture	7.6%
Industry and construction	20.4%
Services	72%

Characteristics of Palestinian SMEs:

•The Majority of SMEs are Micro enterprises

-(90.54%) of these enterprises employ less than5 employees,

-98.92% employ of all enterprises employ less than 20 employees, and 99.77% employ less than 50 employees,

•SMEs employing less than 20 employees provide work for more 89%of the total labor force

•The contribution of SMEs to (GDP) was estimated 36% in 1999.

•SMEs offer employment opportunities for 89.2% of the total labor force

•The majority of SMEs are involved in trade and service activities, and constitute 50% of grand total of SMEs.

•The remarkably small size of these enterprises reflects the political instability in the country.

•High percentage of micro and small enterprises are traditionally family-owned. This lead to passive results:

•Owner-managers lack of the motivation to grow their businesses once they are able to sustain a livelihood for their family members.

•Many of these firms also are unwilling to transform themselves into larger enterprises because that would require entrusting non-family members with the firm's valuable information and resources.

•Family owned businesses have limited experience with financiers

•Growth is limited by size and skills of family

•low capital-labor ratio of SMEs, which amounted in average to US$ 6.730(2004)

•SMEs in Palestine are often single-product firms

•Widely dispersed geographically than larger enterprises.

Advantages of SMEs to Palestinian economy

O Creation of new businesses in the market by translating ideas into real projects

o Creating job opportunity with a relatively small amount of capital

o Developing a pool of skilled and semi-skilled workers to meet the requirements of future industrial expansion

o Alleviating poverty and preserving of social stability

o Contribute to the growth of GDP

o Contribute to lessening of the deficit In the trade balance, through the production of goods that substitute imported ones, and thus help to reduce the volume of imported goods.

o Increase competitiveness in the market

o Reducing the economic gap between urban and rural areas.

o Strengthening of both forward and backward industrial linkages and reinforcing the links between different economic sectors.

o Contribute to a more efficient allocation of resources in Palestine where capital is scarce and labor is plentiful.

Problems encountering SMEs:

•***External Factors:***

-The absence of political stability is the most important obstacle for economic development of the country.

-lacking of appropriate laws and legislation necessary to secure the suitable environment essential for the proper growth of these businesses

-Lack of Government Policies and Incentives

-weak infrastructure facilities, and increasing cost of utilities

-Small domestic market

-The absence of specialized institutions capable of providing technical and consulting services and information throughout the project life cycle.

-Insufficient specialized training Institutes

-weakness in the supporting services provided to SMEs

-Severe economic dependency on Israeli economy, and the adaptation of the Palestinian economy to meet the needs of Israeli economy.

-All export and import channels and outlets of Palestinian goods are in the hands of Israel-Lack of legal framework, credit policies and incentive programs for the development of SMEs.

-Lack of an entrepreneurial spirit and skills in the population as one of the weaknesses hindering the country's growth.

•***Internal Factors:***

a) Market

•Small domestic market

•Lack of marketing capabilities and skills need to enter new market

•Lack of marketing & distribution skills

•Most of Enterprises depend on local market for limited knowledge in international marketing

•SMEs are also not familiar either with foreign trade and customs regulations.

b) Financial

• SMEs have poor access to capital market. Credit guarantee is a major barrier for their further development and growth

c) Human Resources

• Shortage of skilled workers

• High staff turnover

• Insufficient specialized training

• Low skill & not knowledge - based

• Lack of management skills of SMEs' managers

d) Technology

• Low technology level

• Insufficient equipment

• Limited and low automation

•Lack of information

•Lack of R&D

•Lack of synergy with research institution

e) Productivity & Quality (P&Q)

•P&Q program are not very much emphasized.

•Low level of productivity

•Entrepreneurial culture adopts imitation rather than innovation
(except for SMEs in information technology sector)

•Low quality products as a result of not being aware of industrial standards and specifications, or with product liability, quality and consumer protection requirements.

•Quality control systems for food industries are not wildly implemented

•Lack of awareness related to productivity &quality issues

•Low health, and safety standards and regulations

•Lack of capability product design &innovation

Chapter 4

Statistical Analysis

- Section One: Methodology
- Section Two: Analysis and Discussion

Section One: Methodology

Introduction:

This part presents the methods & procedures followed by the researchers in conducting the study. It's include the methodology of data , the population, the sample of the study and the tool of the study & (questionnaire), and statistical methods that were used in data analysis. the following details of the above.

Methodology Of The Study:

In order to achieve the objectives of the study, the researchers used descriptive analytical method which tries to "logistics impact on SMES competitive advantage" and descriptive analytical method tries to compares and explains and assesses to reach the generalizations meaningful increases the stock of knowledge on the subject, has been collecting data from sources primary and secondary sources as follows:

A. primary sources:

by looking in side of the field to distribute questionnaires to study some vocabulary study, inventory and collection the necessary information on the subject of research, and then discharged and statistical analysis and use of appropriate statistical tests in order to reach significance and value indicators to support the study.

B. secondary sources:

The researchers used secondary data sources to address the theoretical framework for the study through the following:

- Arab and foreign references and books and addressed the issue of study.
- Periodicals, articles and published studies and master's and doctoral theses related.
- researchers hired reports and bulletins issued by institutions and related centers.
- Researchers hired to the Internet and electronic copies on its pages.

The population and The Study Sample:

The population of the study is small and medium enterprises in Gaza strip, and the study sample amounted to 40 SMEs, and the distribution of the study sample according to personal information:

Statistical Description of the study sample according to the characteristics and personality traits

1. **Distribution the characteristics of the sample according Gender:**

Table (1) :Distribution of the sample according Gender

Gender	Frequency	Percentage%
male	24	60.0
Female	16	40.0
Total	**40**	**100.0**

It's clear that from the results in Table (1) That 60% of the study sample were male, while females accounted 40% from the study sample.

2. **Distribution the characteristics of the sample according Age:**

Table (2) :Distribution of the sample according Age

Age	Frequency	Percentage%
less than 30	32	80.0
30 to less than 45	8	20.0
Total	**40**	**100.0**

It’s clear that from the results in Table (2) that 80% from the sample their age (less than 30), then 20% (30 to less than 40).

3. **Distribution the characteristics of the sample according Foundation year :**

Table (3): Distribution of the sample according Foundation year

Foundation year	Frequency	Percentage%
2000- 2006	14	35.0
2012- 2018	26	65.0
Total	**40**	**100.0**

It is clear from the results in Table (3) that 35% of the sample of the study believe that the Foundation year of the company (2000-2006), while 20% see (2012-2018).

4. Distribution the characteristics of the sample according The company's capital:

Table (4): Distribution of the sample according The Company's capital

The company's capital	Frequency	Percentage%
5000and less	6	15.0
5000- 9000	8	20.0
1000 or more	26	65.0
Total	**40**	**100.0**

It is clear from the results in table (4) that 15% of the study sample said that the company's capital (500 and less), while 20% see it (5000- 9000), and 10% see it (1000 or more).

5. .Distribution the characteristics of the sample according Number of partners :

Table (5): Distribution of the sample according Number of partners Number of partners

Number of partners	Frequency	Percentage%
1	21	52.5
2	12	30.0
3	7	17.5
Total	**40**	**100.0**

It's clear from the results in table (5) that 52.5% of respondents believe that the number of partners in the company (1), while 30% believe that (2), and 17.5% believe that (3).

6. .Distribution the characteristics of the sample according Number of employee:

Table (6): Distribution of the sample according Number of partners Number of employee

Number of employee	Frequency	Percentage%
1- 5	20	50.0
5- 10	9	22.5
10 -15	11	27.5
Total	**40**	**100.0**

It is clear from the results in table (6) that 50% of respondents believe that the number of **employee** in the company (1-5), while 22.5% believe that (5-10), and 27.5% believe that (10-15).

Tool of Study:

The researchers seek through this study to analyze "logistics impact on SMES competitive advantage", the questionnaire has been prepared it contain of two part:

Part I: Demographic information about participations.

Part II: study variables, It consists of five dimensions that consists of 36 paragraph, its following:

1. Purchasing.
2. Inbound logistics.
3. Warehousing management.
4. Order processing and picking.
5. Outbound logistics.

The researchers used Likert scale to correct questionnaire paragraph, according to five point scale the results appear as strengthen agreement (5) degree, Agree answer (4), neutral answer (3), against answer (2), strengthens against answer (1), it's clear in table (7):

Table (7)
Indicate Likert Scale

Scale	Certainly disagree	Disagree	Neutral	agree	Certainly agree
Relative weight	1	2	3	4	5

Statistical Methods:

The researcher's empting and analysis the questionnaire through Statistical Package for the Social Sciences (SPSS), and it used through the following styles.

1. Descriptive statistics such as percentage, arithmetic average, standard deviation, relative arithmetic average and this command is used in order to know categories of variable frequency according to researchers in the description of the variables study.
2. Person Correlation Coefficient: to make verification of consistency questionnaire paragraphs.
3. Cronbach's Alpha coefficient: To knowing, the reliability of questionnaire paragraphs.

4. Kolomogrov - smernov: to knowing data catogeral are normal distribution or not. (1- Sample K-S).
5. T- Test: for the mean single sample (One sample T test) to know the difference between the mean paragraph and medium neutral "3".

Validity and Reliability of the Study:

First: Questionnaire Validity:

Is means to measure the response questionnaire prepared for the measure, has been to verify the validity of the questionnaire through the following:

A. Arbitrators Validity :

The researchers presented the study tool in its initial group of arbitrators composed of members of the faculty specialists members at Palestaine University, it has asked a researchers from the arbitrators make their views known in the appropriate phrases to measure developed for him, and the clarity drafting statement and how suitable each statement for the area to which it belongs, and the insufficient of statements to cover all of the subjects of study, in addition to propose what they deem necessary to modify the formulation of statements or deleted, and based on the feedback and directions by arbitrators, the researchers adjustments agreed by the arbitrators.

B. Internal consistency validity:

It was calculated Internal consistency for questionnaire paragraph on study sample amounting to (40), that by calculated correlations coefficient between each with total degree for each dimension, and table (8) shows that the correlation coefficients indicated significant at the level 0.05, where the probability value of each paragraph of less than 0.05 and so paragraphs of the questionnaire are validity to set the measure.

statistically significant at $\alpha \leq 0.05$,while the probability value for all paragraph less than 0.05.

Table (9) the correlations coefficient between five dimensions and the total degree of the questionnaire

Dimension	Relation Coefficient	Significance level
First dimension: Purchasing.	0.49	0.000*
Second dimension: Inbound logistics.	0.70	0.000*
Third dimension: Warehousing management.	0.67	0.000*
Fourth dimension: Order processing and picking.	0.46	0.000*
Fifth dimension: Outbound logistics.	0.67	0.000*

* Correlation is statistical significant at $\alpha \leq 0.05$

Second: The Reliability Of Study :

reliability questionnaire means to give this questionnaire the same result if the redistribution of questionnaire more than time under the same the circumstances and conditions, or in the other words the reliability of questionnaire means stability in the results of the questionnaire and not change significantly as if it were re-distributed to the members of the sample several times during the time intervals certain.

- **Reliability by Cranach's Alpha Method:**

after the questionnaire applying, it was scaled the Cranach's alpha coefficient for the reliability measurement, While it was founded that the value of Cranach's alpha for the total questionnaire is 0.93, this express that the questionnaire having a high coefficient of reliability, this will clear through the table (10):

Table (10) express Cranach's alpha coefficient for the questionnaire Reliability scale

Dimension	Number of paragraphs	Cranach's alpha coefficient
First dimension: Purchasing.	6	0.78
Second dimension: Inbound logistics.	7	0.76
Third dimension: Warehousing management.	9	0.81
Fourth dimension: Order processing and picking.	6	0.83
Fifth dimension: Outbound logistics.	8	0.79
Total questionnaire paragraphs	**36**	**0.89**

Section 2: Analysis and Discussion

Introduction:

This part aims to achieve the objectives of the study, and for that, the researchers collected data required by the study tool "questionnaire", was empty and analyzed statistically, and conduct the necessary tests, which have been detailed in the previous chapter, the researchers used the Statistical Package for the Social Sciences(SPSS), in the analysis of data, and to reached of the study result.

Normal Distribution Test: Kolmogorov - Samarnov Test

The following test Kolmogorov - Samarnov to see if the data follow a normal distribution or not a test is necessary in the case of hypothesis testing because most parametric tests require that the data distribution normal, and Table (11) test results as the probability value of each dimension more than 0.05 ($sig. > 0.05$) and this indicates that the data follow a normal distribution and parametric tests should be used.

Table (11)
Normal Distribution Test

Dimension	Z-Value	Probability Value
First dimension: Purchasing.	0.83	0.48
Second dimension: Inbound logistics.	0.63	0.81
Third dimension: Warehousing management.	0.98	0.28
Fourth dimension: Order processing and picking.	1.02	0.24
Fifth dimension: Outbound logistics.	0.61	0.84
Total questionnaire paragraphs	**0.86**	**0.44**

Analysis Study Dimension:

The researchers analysis the dimensions of the study, to see the reality of these dimensions when the study population, With the following results using T test for each sample (One Sample T test), to see if the arithmetic average of the degree of response of each paragraph of the questionnaire dimensions equal degree of neutrality is 3 or not, if the value of (p-value) (sig) more than the significance level, in this case be opinions the study population approaching degree of neutrality is 3, and if the value of (p-value) (sig) less than the significance level, in this case can determine if the average response increase or decrease the degree of neutrality, through a reference value if the reference test positive this means that the arithmetic mean of the response over the degree of neutrality, a 3 and vice versa, and can be explained the results of the analysis study dimensions through the following:

1. Analysis the paragraphs first dimension: Purchasing:

By T test paragraphs first dimension was tested to see if the average degree of response of each paragraph of the dimension and the dimension in general has reached degree of neutrality is 3 or increased or decrease about it, it was found that the arithmetic mean of all paragraphs equal to 3.74, and standard deviation equal to 0.87, and the relative weight equal to 74.8%, and the value of test T equal to "5.363", and p- value equal 0.000, which is less than 0.05, which indicates that the average degree of response to the dimension of the "Purchasing" has increased the degree of neutrality is 3, and this shows approval of characteristic sample on this dimension, and the results are shown in Table (12).

Table (12) results of T test & arithmetic mean & relative weight for paragraphs First Dimension and their Paragraphs

No.	Paragraph	Mean	Standard deviation	Relative %Weight	T Test	Sig level
1	Depend on one supplier in purchasing martials	2.33	1.07	46.5	-3.984	0.000*
2	Depend on many suppliers in purchasing materials	4.28	1.13	85.5	7.124	0.000*
3	Long term contract with suppliers	4.20	5.70	84.0	1.332	0.000*
4	Short term contract with suppliers	3.50	1.13	70.0	2.793	0.000*
5	Purchasing materials with lower cost	3.78	1.19	75.5	4.128	0.000*
6	Purchasing materials with high quality	4.38	0.93	87.5	9.401	0.000*
Total degree		**3.74**	**0.87**	**74.8**	**5.363**	**0.000***

* Arithmetic mean is statistical significant at $\alpha \leq 0.05$

2. Analysis the paragraphs second dimension: Inbound logistics:

By T test paragraphs second dimension was tested to see if the average degree of response of each paragraph of the dimension and the dimension in general has reached degree of neutrality is 3 or increase or decrease about it, it was found that the arithmetic mean of all paragraphs equal to 3.68, and standard deviation equal to 1.26, and the relative weight equal to 73.6%, and the value of test T equal to "3.398", and p- value equal 0.000, which is less than 0.05, which indicates that the average degree of response to the dimension of the "Inbound logistics" has increased the degree of neutrality is 3, and this shows approval of characteristic sample on this dimension, and the results are shown in Table (13).

Table (13) results of t test & arithmetic mean & relative weight for paragraphs second dimension and their paragraphs

No.	Paragraph	Mean	Standard deviation	Relative %Weight	T Test	Sig level
1	Ongoing contact with suppliers during inbound logistics	4.43	0.75	88.5	12.061	0.000*
2	Degree of suppliers-corporation relationship	4.15	0.86	83.0	8.420	0.000*
3	Awareness of the importance of inbound logistics and its impact on cost	4.03	0.77	80.5	8.446	0.000*
4	The transport cost is high and affect the product price	3.38	1.33	67.5	1.778	0.000*
5	The inbound logistics conducted through company vehicles	2.75	1.39	55.0	-1.136	0.000*
6	The inbound logistics conducted through suppliers vehicles	4.23	8.33	84.5	0.930	0.000*
7	The inbound logistics conducted through intermediate company vehicles	2.80	1.40	56.0	-0.904	0.000*
Total degree		**3.68**	**1.26**	**73.6**	**3.398**	**0.000***

* Arithmetic mean is statistical significant at $\alpha \leq 0.05$

3. Analysis the paragraphs third dimension: Warehousing management:

By T test paragraphs third dimension was tested to see if the average degree of response of each paragraph of the dimension and the dimension in general has reached degree of neutrality is 3 or increase or decrease about it, it was found that the arithmetic mean of all paragraphs equal to 3.82, and standard deviation equal to 0.66, and the relative weight equal 76.3%, and the value of test T equal to "7.799", and p- value equal 0.000, which is less than 0.05, which indicates that the average degree of response to the dimension of the "Warehousing management" has increased the degree of neutrality is 3, and this shows approval of characteristic sample on this dimension, and the results are shown in Table (14).

Table (14) results of t test & arithmetic mean & relative weight for paragraphs third dimension and their paragraphs

No.	Paragraph	Mean	Standard deviation	Relative Weight %	T Test	Sig level
1	Have a permanent stock of materials	4.48	4.83	89.5	1.933	0.000*
2	There is no stock but ordering when is needed	3.38	1.58	67.5	1.501	0.000*
3	Tracking the stock level continuously	4.54	3.12	90.8	3.080	0.000*
4	Packaging the materials to protect it from damage	4.55	0.99	91.0	9.944	0.000*
5	Use the technology to manage the stock level	3.80	1.32	76.0	3.821	0.000*
6	There is a written record for warehouses	3.95	1.38	79.0	4.365	0.000*
7	Have a full-time employee for stock	3.28	1.54	65.5	1.133	0.000*
8	Have a warehouses owned by the company	3.60	1.35	72.0	2.801	0.000*
9	Rented warehouses to store the materials	2.78	1.46	55.5	-0.976	0.000*
Total degree		**3.82**	**0.66**	**76.3**	**7.799**	**0.000***

* Arithmetic mean is statistical significant at $\alpha \leq 0.05$

4. Analysis the paragraphs Fourth dimension: Order processing and picking

By T test paragraphs fourth dimension was tested to see if the average degree of response of each paragraph of the dimension and the dimension in general has reached degree of neutrality is 3 or increase or decrease about it, it was found that the arithmetic mean of all paragraphs equal to 4.45, and standard deviation equal to 0.54, and the relative weight equal to 89%, and the value of test T equal to "17.045", and p- value equal 0.000, which is less than 0.05, which indicates that the average degree of response to the dimension of the "Order processing and picking" has increased the degree of neutrality is 3, and this shows approval of characteristic sample on this dimension , and the results are shown in Table (15).

Table (15) results of t test & arithmetic mean & relative weight for paragraphs fourth dimension and their paragraphs

No.	Paragraph	Mean	Standard deviation	Relative %Weight	T Test	Sig level
1	Receiving the orders from customers through company' s websites	4.08	1.42	81.5	4.784	0.000*
2	Receiving the orders from customers through telephone	4.63	0.74	92.5	13.882	0.000*
3	Receiving the orders from customers through company' s social media websites	4.73	0.72	94.5	15.244	0.000*
4	Packaging the product before delivering to customer	4.60	0.87	92.0	11.615	0.000*
5	Confirm the order by the customer before delivering	4.38	1.03	87.5	8.443	0.000*
6	Contact with customer during delivering process	4.30	1.07	86.0	7.706	0.000*
Total degree		**4.45**	**0.54**	**89.0**	**17.045**	**0.000***

* Arithmetic mean is statistical significant at $\alpha \leq 0.05$

5. Analysis the paragraphs Fifth dimension: Outbound logistics

By T test paragraphs fifth dimension was tested to see if the average degree of response of each paragraph of the dimension and the dimension in general has reached degree of neutrality is 3 or increase or decrease about it, it was found that the arithmetic mean of all paragraphs equal to 4.15, and standard deviation equal to 0.47, and the relative weight equal to 82.9%, and the value of test T equal to "15.317", and p- value equal 0.000, which is less than 0.05, which indicates that the average degree of response to the dimension of the "Outbound logistics" has increased the degree of neutrality is 3, and this shows approval of characteristic sample on this dimension , and the results are shown in Table (16).

Table (16) results of t test & arithmetic mean & relative weight for paragraphs fifth dimension and their paragraphs

No.	Paragraph	Mean	Standard deviation	Relative %Weight	T Test	Sig level
1	Services are provided appropriately in terms of procedures and time	4.80	0.61	96.0	18.735	0.000*
2	The company uses updated technologies that reduce service delivery time	3.78	1.31	75.5	3.740	0.000*
3	The company providing service appropriately which reduces any extra costs	4.35	0.95	87.0	9.000	0.000*
4	The customer delivers the product from the company site directly	3.68	1.42	73.5	3.004	0.000*
5	The product is delivered by third party	3.33	1.51	66.5	1.362	0.000*
6	The company itself delivered the product to the customer	3.90	1.45	78.0	3.935	0.000*
7	The company providing service appropriately from the first time	4.58	0.59	91.5	16.761	0.000*
8	Dealing with customers suggestions and compliant effectively	4.78	0.58	95.5	19.463	0.000*
Total degree		**4.15**	**0.47**	**82.9**	**15.317**	**0.000***

* arithmetic mean is statistical significant at $\alpha \leq 0.05$

Chapter 5

Results and Recommendations

Results:

- The results showed that there was a consensus of the study sample on the Purchasing dimension, where the relative weight of the dimension reached 74.8%.
- The results showed that there was a consensus of the study sample on the Inbound logistics dimension, where the relative weight of the dimension reached 73.6%.
- The results showed that there was a consensus of the study sample on the Warehousing management dimension, where the relative weight of the dimension reached 76.3%.
- The results showed that there was a consensus of the study sample on the Order processing and picking dimension, where the relative weight of the dimension reached 89%.
- The results showed that there was a consensus of the study sample on the Outbound logistics dimension, where the relative weight of the dimension reached 82.9%.

Recommendation:

- **Encourage the government** to provide facilities to small and medium enterprises due to its effect on Palestinian economy
- The SMEs should use technology in their operations to increase efficiency and reduce cost
- Increase the awareness of the impact of logistics cost in product price and if it reduces the SMEs will gain a competitive advantage and increase their revenue
- Facilitate the exporting of products to outside and the importing of raw materials from outside
- Reduces the taxes imposed on imported materials
- To gain a logistics experience , it is ought to invest it in academic sector in universities so create a new specialization that fulfill the market needs in this field

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Annex 2 Declaration

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STUDENT DECLARATION

Signed below, Hilles Mohammed student of MATE Gödöllő campus the Hungarian University of Agriculture and Life Science, at the Bachelor Course of Business Administration declare that the present Thesis is my own work and I have used the cited and quoted literature in accordance with the relevant legal and ethical rules. I understand that the one-page-summary of my thesis will be uploaded on the website of the Campus/Institute/Course and my Thesis will be available at the Host Department/Institute and in the repository of the University in accordance with the relevant legal and ethical rules.
Confidential data are presented in the thesis: yes no*
Date:

_____

Student .

Questionnaire questions: personal information

Please fill in the data

Name (your

choice:……

The Company's name:……

Age:

( ) >30	( ) 30 - 45	( ) < 30

Gender :

( ) Female	( ) Male

Foundation year :

( ) 2000 – 2006	( ) 2006 – 2012	( ) 2012 – 2018

The company's capital:

( ) 5000 or less	( ) 5000 - 9000	( ) 1000 or more

Number of partners

( ) 1	( ) 2	( ) 3

Number of employee

15 -10) (	10 -5) (	5-1) (

20. the company itself delivered the product to the customer (how important it is ?)

حدد دائرة واحدة فقط.

- so important
- important
- not that important
- not important at all

21. The company providing service appropriately from the first time

حدد دائرة واحدة فقط.

- certanily agree
- agree
- i dont know
- disagree
- certainly disagree

22. Dealing with customers suggestions and compliant effectively

حدد دائرة واحدة فقط.

- certanily agree
- agree
- i dont know
- disagree
- certainly disagree

The logistic impact on the competitive advantage of small and medium enterprises

a short from that will help me to collect some data for my thesis

1. Your Gender

حدد دائرة واحدة فقط.

- male
- Female

2. your age

حدد دائرة واحدة فقط.

- under 18
- 18-25
- 26-35
- 36-45
- 46-55
- Older than 65

3. Are you Currently student

حدد دائرة واحدة فقط.

- yes
- no

11. Depend on many suppliers in purchasing materials

حدد دائرة واحدة فقط.

- certainly agree
- agree
- idont know
- disagree
- certainly disagree

12.

Long term contract with suppliers

حدد دائرة واحدة فقط.

- cetainly agree
- agree
- i dont know
- disagree
- certainly disagree

13.

Purchasing materials with lower cost

حدد دائرة واحدة فقط.

- certainly agree
- agree
- i dont know
- disagree
- certainly disagree

4. ?Are you Currently employed

حدد دائرة واحدة فقط.

- yes full time
- yes part time
- no

5. ? where do you live Currently

_____

6. the level of your knowledge about small and medium enterprises

حدد دائرة واحدة فقط.

- i dont know any thing about them
- some normal information
- expert and i have studied

7. Do you think that the SME utilize a formal logistics management strategy?

حدد دائرة واحدة فقط.

- yes
- no

8. What aspects of logistics are most crucial for your SME's operations?

حدد دائرة واحدة فقط.

- Supplier relationships
- Demand forecasting
- Order fulfillment
- Warehouse management

9. How would you rate the effectiveness of your SME's current logistics practices in improving operational efficiency?

حدد دائرة واحدة فقط.

- 1
- 2
- 3
- 4
- 5

10. Purchasing material in SME Depend on one supplier

حدد دائرة واحدة فقط.

- certainly agree
- agree
- i dont know
- disagree
- certainly disagree

14.

Ongoing contact with suppliers during

inbound logistics

حدد دائرة واحدة فقط.

- certainly agree
- agree
- i dont know
- disagree
- certainly disagree

15. do you think that the impact of efficient logistics practices on your SME's competitive advantage?

حدد دائرة واحدة فقط.

- yes
- no
- maybe
- dont know

16.

The inbound logistics conducted through suppliers vehicle

حدد دائرة واحدة فقط.

- yes
- no
- maybe

17.

There is no stock but ordering when is needed

حدد دائرة واحدة فقط.

- sure it is needed
- no its not needed
- maybe it is needed
- maybe it is not needed

18.

Packaging the product before delivering to customer

حدد دائرة واحدة فقط.

- certainly agree
- agree
- i dont know
- disagree
- certainly disagree

19. Contacting with the customer during delivering process how improtant it is to complete the service perfectley?

حدد دائرة واحدة فقط.

- very important
- importan
- not that important
- not important at all

Acknowledgment

Initially, this work could not have been done without the generous and honest support from family and close friends. But most certainly, the biggest gratitude falls in the hands of my direct advisor **Gyenge Balázs** who contributed greatly to the process of completing the research adequately and professionally by providing me with many insights and ideas to better understand the problems and reflect on them accordingly.